

Notations

Streamlines Supplier Communication

Notations, a supplier of women's fashions to department and specialty stores, is rolling out a new supplier management solution that it expects to reduce errors and cycle time.

Cutting and pasting style images onto paper and faxing them to a vendor. That's how the women's wear firm Notations communicated with its global suppliers only a year ago.

Now the Warminster, PA-based company is revamping its processes for exchanging information with its vendors, with a focus on sending and receiving more data electronically through the BlueCherry Enterprise Suite from Computer Generated Solutions (CGS).

cialty stores such as Coldwater Creek, Charming Shoppes and Goody's.

"Our customers look to us to fill their open-to-buy with reliable, specially designed product with minimal lead time," says Ric Lazarus, vice president of operations and general counsel at Notations. "We have been successful because we are able to identify trends, create diversified offerings quickly and execute to deliver product to our customers in an extremely short period of time."

Making communication more digital

The company started a multi-phase ERP implementation of CGS' BlueCherry about a year ago, and is experiencing the first waves of success in streamlining its supply chain.

"Being able to have electronic purchase/production order transmission integrated with our ERP system was a major improvement," says Lazarus.

Notations' global apparel vendor base does not start production until after retail customers have placed orders for specific styles. With this business model, cycle time is especially critical. That's why the company is implementing a new software module to reduce repetitive processes.

"In addition to increased productivity and speed, and reduction of mistakes, we now have a complete automatic record of what was sent and when, so there is more reliability in the process," says Lazarus. "We no longer have the 'I didn't receive your fax and therefore I didn't get a jump on buying fabric' issue that used to come up."

With those major hurdles crossed, the firm is turning its attention to other func-



systems at a glance

- **CAD:** Lectra
- **PLM:** Computer Generated Solutions (CGS)
- **Labeling:** Avery Dennison (barcoding), Paxar (care labeling)
- **Financial:** Solomon Financials
- **WMS & Wireless Scanning:** CGS (software), Symbol Technologies (hardware)

Notations was founded in 1979, and has expanded from offering one basic line to having several different merchandising and design teams — each developing various lines as well as custom assortments for individual customers. Its products, which include a wide range of blouses, skirts and pants in both basic and fashion-forward styles, are sold in department stores such as Federated, Belk, BonTon and Kohl's, and spe-

tions, such as improving relationships with suppliers.

This year it will start sending specification sheets electronically. This step alone will put Notations "miles ahead of where we used to be," says Lazarus.

Next the company will prepare for its 2007 rollout of CGS' Supplier Collaboration module, which will allow vendors to enter order and production status information directly into Notations' ERP system through a web interface. Vendors will be able to provide shipping information, detailed packing lists, bills of lading and commercial invoices, among other information.



"The shorter the cycle, the longer our customers can wait to assess the fashion and business environment before placing their orders," says Ric Lazarus, vice president of operations and general counsel at Notations.

After its vendors go live with CGS Supplier Collaboration, Notations plans to integrate its freight forwarders and customs brokers into the system.

The company anticipates labor cost reductions because information from factories related to inbound orders will no longer have to be collected and entered into the ERP system manually by the Notations staff. The system also is expected to reduce errors caused by the hand-offs and re-entry of data.

There also should be fewer data errors because the system won't allow suppliers to enter an incorrect style number. Style numbers must match the associated production orders. "Right now, suppliers can put anything they want on a packing list that they are faxing to us, and only later would we realize the error," says Lazarus. "It's hard to put a dollar amount on the money you will save by reducing the number of errors, so it becomes indirect cost savings, but it nevertheless represents a very significant and genuine cost reduction."

Cutting a week of cycle time

Reducing cycle time also is essential to maintaining Notations' competitive edge. The firm thrives on its ability to provide fashion-forward merchandise to its customers more quickly than its competitors.

"The shorter the cycle, the longer our customers can wait to assess the fashion and business environment before placing their orders," says Lazarus. "But being a sell-and-then-cut type of fashion supplier — meaning that we do not begin to produce garments until we have received an order for them — we are always being challenged to produce in time to meet our customers' deadlines."

The BlueCherry Supplier Collaboration module will help Notations deal earlier and more effectively with customs issues and problems such as shortages in the number of garments produced in a particular style, says Lazarus.

"All of these things would eventually become evident in our current system, but the new module will allow us to get a jump on it earlier, which makes all the difference in the world," says Lazarus. "The garments aren't going to be produced any faster because the suppliers are entering the data into our system. But we will have availability of data that will allow us to make decisions faster than we are now."

Notations' salespeople soon will be able to enter orders directly into the ERP system, which means that vendors can be contacted more quickly about incoming orders and the production process started earlier. "The faster we can get the order to a point that allows us to start the production, the longer amount of time we have for production and the more likely we will get our

order done on time," says Lazarus.

Depending on where an item is produced, cycle time from order to delivery is 12 to 16 weeks. Lazarus estimates that one week will be cut out of this cycle time because of Notations' systems implementation. "Cutting out a week of time is huge for us," he says. "We are in the final testing phase right now, and we are very excited about the amount of time it is going to save us."

Investing in training

Implementation of direct vendor communication brings a twofold challenge: Training the company's own staff in the new system, and training suppliers to use the system. Initially, the firm plans to bring only about 10 of its largest international vendors online in China, Hong Kong, Korea and Indonesia.

"There is a certain investment you have to make in order to implement electronic collaboration with suppliers. There may not be enough payback if you are dealing with a vendor that has minimal volume with you," says Lazarus. "The less sophisticated and the smaller volume the vendor has with us, the less likely it will make sense to invest the time to train that vendor."

As the project moves into the second or third phase, an additional 30 vendors will be brought online. But even with just getting its largest vendors online, there will be enough of a payback to justify the entire project, says Lazarus.

Notations will continue to use e-mail as another reliable means of international communication with its vendor base, and as a check-and-balance with the system in case there is a technical problem. "We supplement our systems with 'hand-shaking' e-mails to confirm receipt of critical information by our suppliers," says Lazarus.

In conclusion, Lazarus stresses: "One of the keys to succeeding in the current competitive marketplace is having the support of the ownership of your company in recognizing the value of technological superiority and supporting projects, and we certainly have that here." ■

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